

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 SSC-01 CIAE-00 DODE-00 NSAE-00 NSCE-00

SSO-00 USIE-00 INRE-00 PM-07 H-03 INR-10 L-03 NSC-07

PA-04 RSC-01 PRS-01 SP-03 SS-20 EB-11 OMB-01 TRSE-00

AGR-20 HEW-08 CU-04 SIL-01 LAB-06 AID-20 DRC-01 /153 W
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O R 242312Z JUN 74

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC IMMEDIATE 3428

INFO AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMCONSUL BELIZE

C O N F I D E N T I A L GUATEMALA 3407

E.O. 11652: XGDS-2

TAGS: PINT, GT

SUBJECT: PRESIDENT-ELECT LAUGERUD ANNOUNCES HIS CABINET

REF: GUATEMALA 3395

SUMMARY: PRESIDENT-ELECT LAUGERUD ANNOUNCED SELECTION OF NEW CABINET ON JUNE 24. HE HAS APPOINTED CLOSE FRIENDS TO KEY DEFENSE AND GOVERNMENT MINISTRIES, AND TECHNICALLY COMPETENT, RESPECTED MEN TO MOST OTHER POSITIONS. CABINET HAS BASICALLY CONSERVATIVE CAST, BUT SEVERAL KEY MINISTERS HAVE EVIDENCED AWARENESS OF NEED FOR SOME REFORMS. LAUGERUD HAS SUCCESSFULLY RESISTED PRESSURES TO APPOINT POLITICAL HACKS, AND FINAL CHOICES SEEM TO HAVE BEEN HIS OWN. END SUMMARY.

1. PRESIDENT-ELECT GENERAL KJELL LAUGERUD ANNOUNCED SELECTION OF THE FOLLOWING MEMBERS OF HIS CABINET AT A
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JUNE 24 PRESS CONFERENCE:

FOREIGN RELATIONS: ADOLFO MOLINA ORANTES, 59, NOTED INTERNATIONAL LAWYER, SERVED BRIEFLY AS FOREIGN MINISTER IN 1958, WIDE EXPERIENCE IN FOREIGN AFFAIRS, SERIOUS, HARD-WORKING, FAVORABLY DISPOSED TOWARDS U.S.

GOVERNMENT: GENERAL LEONEL VASSAUX, 48, MINISTER OF DEFENSE FOR 2 YEARS IN ARANA ADMINISTRATION. CLOSE FRIEND OF LAUGERUD, WHO SERVED AS HIS CHIEF OF STAFF.

DEFENSE: GENERAL FAUSTO RUBIO, 45, PRESENT MINISTER OF DEFENSE WHO CONTINUES IN SAME POSITION. CLOSE FRIEND OF LAUGERUD. SERVED AS LAUGERUD'S CHIEF OF STAFF WHEN HE WAS DEFENSE MINISTER.

FINANCE: JORGE LAMPORT, 46, INCUMBENT FINANCE MINISTER, PROBABLY THE MOST COMPETENT MAN IN ARANA CABINET.

ECONOMY: EDUARDO PALOMO, 43, PRESENTLY VICE PRESIDENT OF BANK OF GUATEMALA, FORMER VICE MINISTER OF ECONOMY, HIGHLY COMPETENT, RESPECTED FOR TECHNICAL ABILITY.

COMMUNICATIONS AND PUBLIC WORKS: GUSTAVO ANZUETO, 48, ANOTHER CARRY-OVER FROM PRESENT ADMINISTRATION. MLN MAEMBER, HAS GOOD CREDENTIALS FOR THE JOB BUT SOME QUESTION OF HIS HONESTY. HAS BEEN NEGATIVE FACTOR FOR U.S. BUSINESS INTERESTS.

AGRICULTURE: ROBERTO ZACHRISSON, MEDICAL DOCTOR AND WEALTHY FARMER, ACTIVE IN AGRICULTURAL CIRCLES. HAS BEEN HIGH OFFICIAL IN AGRICULTURAL ASSOCIATIONS.

PUBLIC HEALTH: DR. JULIO CASTILLO SINIBALDI, MEMBER OF CASTILLO BREWERY FAMILY. GENERALLY RESPECTED. HAS SERVED AS CHIEF OF SURGERY AT MILITARY HOSPITAL.

EDUCATION: GUILLERMO PUTZEYS, 38, DEAN OF HUMANITIES AT NATIONAL UNIVERSITY, MODERATE, TALENTED ADMINISTRATOR.
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LABOR: DANIEL CORZO DE LA ROCA, WAS RUMORED TO HAVE BEEN CHAMBER OF COMMERCE'S CANDIDATE FOR MINISTER OF LABOR IN 1970.
POWERFUL CTF UNION LEADER MORALES CRUBAZ DESCRIBED CORZO AS INDEPENDENT THINKER AND EXPRESSED GUARDED OPTIMISM RE APPOINTMENT.

PUBLIC RELATIONS: ROBERTO GIRON LEMUS, EDITOR OF LA NACION. INTELLIGENT, UNOFFICIAL COLLABORATOR

IN ARANA GOVERNMENT, DRAFTED A NUMBER OF ARANA'S SPEECHES.
REPORTEDLY SUPPORTS ECONOMIC AND SOCIAL REFORM.
HAS LEFTIST BACKGROUND, SERVED IN ARREVALO AND ARBENZ
GOVERNMENTS.

2. COMMENT: CABINET COMPRISED LARGELY OF TECHNICALLY
COMPETENT, RESPECTED, CONSERVATIVELY ORIENTED MEN.
LAUGERUD HAS APPOINTED CLOSE FRIENDS TO KEY DEFENSE AND
GOVERNMENT MINISTRIES, WHICH WILL STRENGTHEN HIS POSITION
VIS-A-VIS HIS VICE PRESIDENT, MARIO SANDOVAL, AND THE FAR
RIGHT. MINISTERS OF FOREIGN AFFAIRS, EDUCATION, ECONOMY, AND
FINANCE, ARE ALL TOP NOTCH. LATTER TWO ARE WELL
AWARE OF NEED FOR FISCAL REFORM. MINISTERS OF
AGRICULTURE AND PUBLIC HEALTH ARE RELATIVELY UNKNOWN
TO US BUT APPEAR TO HAVE BEEN SELECTED BECAUSE
LAUGERUD HAS CONFIDENCE IN THEM. PRESIDENT-ELECT
HAS BEEN SUCCESSFUL IN KEEPING POLITICAL HACKS OUT OF
THE TOP JOBS, AND WE NOTE THAT PRESIDENT ARANA'S SON,
ROBERTO, DID NOT GET A CABINET POSITION AS WAS RUMORED.
ONLY MEMBER OF CABINET WITH WHOM WE HAVE HAD BAD
EXPERIENCE IS ANZUETO.

3. ALTHOUGH, AS NOTED REFTTEL, LAUGERUD STILL FACES
PROBLEMS IN STAFFING SECONDARY-LEVEL POSITIONS, IT
CERTAINLY APPEARS THAT HIS CABINET-LEVEL SELECTIONS
HAVE PUT HIM IN ABOUT AS GOOD A POSITION AS COULD BE
HOPED FOR TO EFFECT THE MODEST SOCIAL AND ECONOMIC
REFORMS HE HAS ESPOUSED. END COMMENT.
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